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ANNE MARIE LANGAN
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TO: Gail Oxendine, Director
Human Resources Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 27, 2011

RE: 2011-2012 Budget Analysis

14.

Attached is our budget analysis regarding your department's budget for the upcoming 2011-2012 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Friday, April 28, 2011 at 11:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Thomas Lijana, Finance Director
Floyd Stanley, Deputy Budget Department Director
Donna McAlister, Budget Department
Denise N. Gardner, Mayor's Office

Human Resources (28)

FY 2011-12 Budget Analysis by the Fiscal Analysis Division

Summary

The Human Resources Department is a General Fund agency. The Mayor's 2011-12 recommended budget of \$15.15 million reflects a \$1.12 million (8.12%) increase from the current fiscal year.

2009-10 Surplus/(Deficit)

The Mayor has estimated a net surplus of \$505,750 for the Human Resources Department. The surplus of \$190,242 is due primarily to vacancies and office furniture surpluses.

Overtime

The Human Resources Department's 2010-11 current overtime budget is \$189,667. The recommended budget for overtime in FY 2011-12 is \$198,480 a slight increase of \$8,813 (4.65%).

Personnel and Turnover Savings

The Mayor recommends a net decrease of 7 positions in the 2011-12 recommended budget. The loss of 7 positions is reflected in the deletion of positions in various divisions throughout the department.

The Mayor has recommended no turnover savings for the Human Resources Department in fiscal year 2011-12.

The following is information by appropriation comparing FY 2009-10 positions, March 31, 2010 filled positions and FY 2011-12 recommended positions.

<u>Appropriation/Program</u>	<u>Positions FY 2010-11</u>	<u>Positions 3/31/2011</u>	<u>Positions FY 2011-12</u>	<u>Actual to 10/11 Budget</u>	<u>Recommended Turnover</u>
Human Resources (28):					
280008 HRMS	7	7	7	0	\$ -
280110 Administration	10	13	9	3	\$ -
280153 Records	4	4	5	0	\$ -
280311 Employee Development Training	2	5	0	3	\$ -
00105 Administration	23	29	21	6	\$ -
280400 Employment Services	9	12	6	3	\$ -
00106 Personnel Selection	9	12	6	3	\$ -
00107 Supportive Services				0	\$ -
280510 Econ. Union Contract Provisions	5	6	5	1	\$ -
280520 Benefits Administration	13	12	12	(1)	\$ -
280530 L.R. Administration	3	4	3	1	\$ -
280540 Non-Econ. Union Contract Prov.	4	2	4	(2)	\$ -
00108 Labor Relations	25	24	24	(1)	\$ -
280010 Employee Svcs. - Administration	1	2	1	1	\$ -
280011 Employee Svcs. - Water	21	15	21	(6)	\$ -
280020 Employee Payroll	48	46	47	(2)	\$ -

280021 Emp. Svcs. Cust./Comm. Svcs.	6	12	8	6	\$	-
280022 Emp. Svcs.-Municipal Svcs.	8	8	7	0	\$	-
280023 Emp. Svcs.-Administrative Svcs.	3	4	0	1	\$	-
280610 Emp. Svcs.- Sewerage	7	7	7	0	\$	-
280690 Employee Svcs.- DOT	9	7	9	(2)	\$	-
00833 Employee Services	103	101	100	(2)	\$	-
280551 HUR Non Union	2	2	3	0	\$	-
00854 Hearings & Policy Development	2	2	3	0	\$	-
280335 Apprentice Administration	1	1	2			
10549 Apprentice Training Program	1	1	2	0	\$	-
280450 Interns		1		1	\$	-
28XXXX Leave of Absence		(2)		(2)	\$	-
28XXXX Worker's Comp.		(2)		(2)	\$	-
28XXXX Unmatched Positions		<u>0</u>		<u>0</u>	<u>\$</u>	<u>-</u>
TOTAL	<u>163</u>	<u>166</u>	<u>156</u>	<u>3</u>	<u>\$</u>	<u>-</u>

Significant Funding by Appropriation

Appro. Program

00105	Administration	This appropriation increases slightly by \$38,662 in FY 2011-12.
00106	Personnel Selection	Appropriation decreases by \$281,553 due primarily to a \$297,613 decrease in org 28-0400 Central HR Services, due primarily to decrease in salaries & employee benefit decreases, related to the loss of three positions.
10549	Apprentice Training Program	This appropriation decreases by \$81,368 (93.25%) in FY 2011-12.
00108	Labor Relations	This appropriation increases by \$433,776 in FY 2011-12. The increases are due primarily to a \$288,907 increases in org 28-0530 Labor Relations Administration (\$244,931 in contractual services), and a \$92,498 increase in org 28-0510.
00833	Employee Services	This appropriation increases by \$ 728,150 in FY 2011-12. The increases are due primarily to a \$720,668 increase in employee benefits.
00854	Hearings and Policy Development	This appropriation increases by \$ 137,414 in 2011-12. The increase is due primarily to the salary and benefit costs associated with the addition of one fte.

Significant Revenue Changes by Appropriation and Source

Appro. Program

00106	Personnel Section	This newly projected revenue is budgeted at \$220,000 in, FY 2011-12.
10549	Apprentice Training Program	This revenue appropriation increases by \$83,253 2011-12.
00833	Employee Services	Revenue decreases by \$452,754 in FY 2011-12, due to corresponding appropriation decreases.

Budgeted and Contractual Services by Activity

Human Resources (28)

Budgeted Professional and	FY 2010-11	FY 2011-12	Increase
<u>Contractual Services by Activity</u>	<u>Budget</u>	<u>Recommended</u>	<u>(Decrease)</u>
Administrative Services	\$ 271,000	\$ 259,000	\$ (12,000)
Employee Services Group	53,065	80,000	26,935
Apprentice Training Program	-	-	-
Labor Relations	400,000	644,931	244,931
Employee Services	-	-	-
Hearings & Policy Development	30,000	30,000	-
Total	<u>\$ 754,065</u>	<u>\$ 1,013,931</u>	<u>\$ 259,866</u>

Professional and Contractual Services in the Human Resources Department decrease by \$177,000 (18.5%) in 2011-12 FY, due primarily to a \$200,000 decrease in Labor Relations, offset by a \$23,000 increase in Administrative Services.

Issues and Questions

The Mayor recommends a net decrease of 7 positions for HR in FY 2011-12. How will this impact the department's operations? Are any of these deletions vacant positions?

Executive Budget Pg 28-6:

- One of the department's goals involves a "consolidation of job classifications". How many positions overall does this task entail? Please describe this process in detail. Also, are there plans for the department to evaluate the utility of this endeavor?

Executive Budget Pg 28-26:

- The Mayor has recommended \$220,000 in revenue for Personnel Selection, the department did not request any revenue in this area. What is the rationale for this revenue projection and how realistic is the prospect of collecting it?

Has the Labor Relations Section explored the possibilities in consolidating employee healthcare with the State, county and other municipalities? If so, what are they? If not, why?

Please provide a list of all fees and charges made by the Human Resources Department. Include the amount of the current fee or charge. Indicate when the fee or charge was last changed, and the amount of the change.

Is the department involved in any activities that are not recorded as part of the city's financial reporting system? If so, identify what the activities are. Example, the Mayor's Office has established a non-profit organization in connection with the soon to be renamed Next Detroit Neighborhood Initiative Program.

Does the department use any automated or electronic systems not directly linked to the financial reporting system, DRMS? Is so, identify what the systems are, and what the plans and timetable is to incorporate the system into DRMS. Example, the Recreation Department has a Recreation Activity Fund whose financial records are maintained separately from the DRMS system.

Are there changes to the Charter that would improve this agency's efficiency? Will any cars be turned in from your agency? Will any employees begin to receive stipends or mileage?

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